

Criticism puts the tarnish on '80 silver sale

By Roger Boye



It wasn't worth a plugged nickel."

That's how an influential congressman described the government's 1980 sale of nearly 1 million silver dollars made during the 1800s in Carson City, Nev.

"At nearly every turn, the General Services Administration (the government agency that conducted the sale) made critical errors," said Rep. Frank Annunzio (D., Ill.), chairman of the House Subcommittee on Consumer Affairs and Coinage. "This sale is one of the most horrifying examples of government mismanagement I have seen."

Late last month, Annunzio released a study by his subcommittee staff that accused the GSA of failing to follow effective procedures when selling the coins. As a result, nearly two-thirds of the 500,000 persons ordering silver dollars got no coins.

The study also criticized the GSA for other blunders, such as:

- Waiting for as long as 4½ months to return unfilled orders and checks to would-be buyers.
 - Failing to use a promised "random process" in selecting orders to fill.
 - Selling coins to several hundred collectors whose checks had bounced.
 - Failing to set a two- or three-coin limit per order category to assure a wide distribution of coins.
 - Failing to provide safeguards to prevent GSA employees from tampering with order processing.
- After release of the subcommittee report, a

GSA administrator defended the sale, saying it grossed more than \$50 million, about double what experts had predicted in 1979.

But he admitted that "not every aspect of the sale was perfect." The silver-price surge in early 1980 created a huge demand for coins, catching the GSA unprepared.

Annunzio said he recognizes the sale was a financial success, but GSA actions also produced a "flood of criticism" from consumers.

"The loss of confidence in government by tens of thousands of Americans is a loss that can't be measured," he added.

Carson City silver dollars sold in 1980 were the last of nearly 3 million dollars discovered in government vaults in 1964. Hobbyists bought about 2 million of the coins during a series of sales in the 1970s.

● Several exceedingly rare collector treasures will be on the auction block later this month in the final sale of the spectacular Garrett coin collection.

Headlining the sale will be one of seven known Brasher doubloons, the famous gold coin made by George Washington's neighbor in 1787. Some experts think the doubloon could fetch \$800,000 or more, a record price for a coin sold at auction.

Another great historical item — also expected to bring a six-figure bid — is an oval "Indian peace medal" depicting George Washington. Scholars believe that Washington presented the medal to an Indian chief in 1795 as a gesture of friendship; the medal remained with the Indians until 1905 when the Garrett family bought it.

In all, more than 650 pieces will be sold on March 25 and 26 in Los Angeles. The Garrett hoard is considered to be the second greatest coin collection in the United States (after the Smithsonian's).

T. Harrison Garrett, a 19th-Century railroad tycoon from Baltimore, assembled much of the collection, and his sons later added several pieces. Many Garrett coins already were sold at auctions in 1979 and 1980.